



## **CCCL Seminar: “Revising Chinese Company Law (again): Academic Debates and Legislative Considerations” co-organized by CCCL, Tsinghua Commercial Law Research Centre, SMU School of Law and ALSA (17 Dec 2021)**

21 Dec 2021

Katy Ng

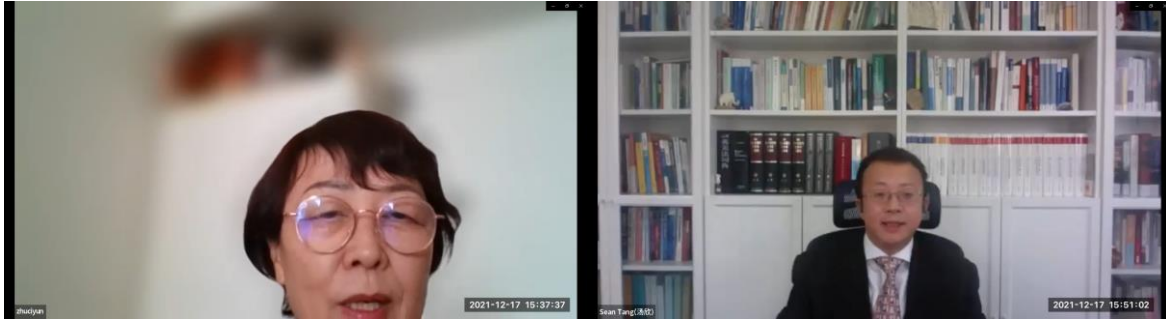
The Company Law of the People's Republic of China has been in force since July 1, 1994, with amendments to individual provisions in 1999 and 2004, a comprehensive amendment in 2005, and two necessary amendments in 2013 and 2018. The Company Law of the People's Republic of China was again submitted to the Thirty-second Session of the Standing Committee of the Thirteenth National People's Congress for consideration in December 2021. In view of the concerns from the most recent round of amendments to China's company law, the Centre for Chinese and Comparative Law (CCCL) of the City University of Hong Kong (CityU) School of Law hosted a virtual seminar on December 17, 2021, on the theme of "Revising Chinese Company Law (again): Academic Debates and Legislative Considerations," which was co-organized by the Tsinghua Commercial Law Research Centre, Singapore Management University Yong Pung How School of Law and the Asian Law Schools Association, inviting Professor **Zhu Ciyun** and **Professor Tang Xin** as the keynote speakers.

The seminar kicked off with a welcome speech by **Professor Tan Cheng Han**, Dean and Professor of the School of Law at CityU. **Professor Zhu Ciyun** is currently a professor at Tsinghua University School of Law, a Ph.D. supervisor, and the Director of the Tsinghua Commercial Law Research Centre. She is, in addition, the Executive Vice President of the Commercial Law Research Association of the China Law Society, the Executive Director of the Economic Law Research Association of the China Law Society, and an arbitrator for the China International Economic and Trade Arbitration Commission. She is an expert in commercial law (e.g., basic theory of commercial law, company law, securities law, bankruptcy law) and economic law and is therefore thoroughly aware of the key aspects of the current amendments. She said the current company law consists of 13 chapters and 218 articles, while the first review draft presented to the Standing Committee of the National People's Congress (NPCSC) consists of about 15 chapters and 260 articles, with about 70 new and amended articles in substance. Professor Zhu Ciyun provided a general introduction to the amendments. She first explained the the Communist Party of China's leadership over state-owned enterprises (SOEs), which is a key concern of the public, but she emphasized that the decision-making power of the company was

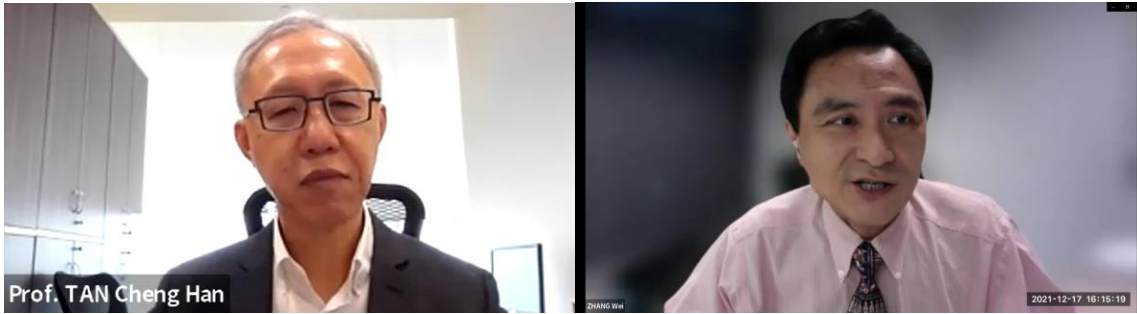
still in the hands of the shareholders and the board of directors. She pointed out that another critical amendment is improving rules on state-funded firms, which may be extended to state-owned and state-controlled limited companies in the future. She further explained the importance of strengthening the responsibility system of shareholders and management personnel, using Kangmei Pharmaceutical Company as a case study. On the other hand, she also suggested that since the draft improves the system for company registration and facilitates the establishment and exit of companies, it would allow the public to obtain more information about investment companies and also encourage financing.

The second guest speaker, **Professor Tang Xin**, is currently a professor at Tsinghua University School of Law, Associate Director of the Tsinghua Commercial Law Research Centre, and Associate Editor-in-Chief of Tsinghua Law, and also a member of the Editorial Advisory Board of the Thomson Reuters China Business Law Series. He has served as a member of the First and Second Mergers and Acquisitions Restructuring Review Committees of the China Securities Regulatory Commission and is currently a member of the Listing Committee of the Shanghai Stock Exchange and the Director of the Independent Directors Professional Committee of the China Listed Companies Association, making him well placed to speak on this topic. Professor Tang Xin said one of the most urgent concerns about the current amendments is their possible impact on existing listed companies. There are currently three stock exchanges in mainland China, namely the Shanghai Stock Exchange, the Shenzhen Stock Exchange, and the Beijing Stock Exchange, which have only been in existence for a short period of time. The fact that listed corporations in China comprise the most important enterprises in all significant industries in the country, in terms of revenue, profits, tax revenue, and even technology generated for the country. It shows that listed companies carry out a crucially important role in the national economy. He argued that if there is no distinction between the types of companies in the amendment of the company law, then the company law may still need to be amended in the future. He emphasized that since listed companies only account for less than 1.26% of joint-stock companies and that, apart from limited companies, the majority of the Chinese economy is made up of small and even micro-enterprises. Therefore, the most complex reason for amendments is not only managing small and micro companies but also focusing on specific regulations on listed companies. He considered the legislation and amendment of company law to remain a challenging task.

Following **Professor Zhu** and **Professor Tang's** thought-provoking speeches, Associate **Professor Zhang Wei** (Singapore Management University Yong Pung How School of Law) and **Professor Wang Jianguo** (CCCL, CityU School of Law) led a discussion and Q&A session in which they presented their insights on the legal amendments to Chinese company law. The majority of attendees jumped on the opportunity to express their opinions, many of which were thoughtful and innovative. Professor Tan gave us a brief closing remark in which she thanked all of the attendees for their excellent contributions, which helped to make the seminar successful.



Professor Zhu Ciyun and Professor Tang Xin (from left to right).



Professor Tang Cheng Han and Associate Professor Zhang Wei (from left to right).



Professor Wang Jiangyu.